



## Senate

General Assembly

**File No. 467**

February Session, 2016

Substitute Senate Bill No. 87

*Senate, April 5, 2016*

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 1 of special act 77-98, as amended by section 5 of  
2 special act 99-12, section 2 of public act 02-85 and section 1 of special  
3 act 13-20, is amended to read as follows (*Effective from passage*):

4 It is found and declared as a matter of legislative determination that  
5 the creation of the South Central Connecticut Regional Water  
6 Authority for the primary purpose of providing and assuring the  
7 provision of an adequate supply of pure water and the safe disposal of  
8 wastewater at reasonable cost within the South Central Connecticut  
9 Regional Water District and such other areas as may be served  
10 pursuant to cooperative agreements and acquisitions authorized by  
11 section 11 of special act 77-98, as amended by section 5 of special act  
12 78-24, section 3 of special act 84-46, [and] section 7 of public act 02-85  
13 and section 3 of this act, and, to the degree consistent with the

14 foregoing, of advancing water conservation and the conservation and  
15 compatible recreational use of land held by the authority, conducting  
16 [water or environmental related activities] or investing in businesses  
17 related to water, energy, agriculture, the environment or any other  
18 activity, provided such other activity is determined to be in the best  
19 interests of customers by a majority of the total weighted votes of the  
20 membership of the representative policy board, in each case within or  
21 without the district [, provided] and that, at the time of any additional  
22 investment in such activities, the authority's [outstanding principal  
23 debt] original capital investment less returns of or on such capital in  
24 such [activities] businesses made on and after June 30, [2013] 2016,  
25 shall not exceed the greater of five per cent of the authority's net utility  
26 plant devoted to water supply and distribution and wastewater  
27 collection and treatment or such higher amount approved by a  
28 majority of the total weighted votes of the membership of the  
29 representative policy board and the carrying out of its powers,  
30 purposes, and duties under sections 1 to 33, inclusive, of special act 77-  
31 98, as amended by special act 78-24, special act 84-46, sections 5 to 7,  
32 inclusive, of special act 99-12, sections 2 to 21, inclusive, of public act  
33 02-85, [and this act] special act 13-20, this section and sections 2 to 7,  
34 inclusive, of this act, and for the benefit of the people residing in the  
35 South Central Connecticut Regional Water District and the State of  
36 Connecticut, and for the improvement of their health, safety and  
37 welfare, that said purposes are public purposes, and that the authority  
38 will be performing an essential governmental function in the exercise  
39 of its powers under sections 1 to 33, inclusive, of special act 77-98, as  
40 amended by special act 78-24, special act 84-46, sections 5 to 7,  
41 inclusive, of special act 99-12, section 2 of public act 02-85, [and this  
42 act] special act 13-20, this section and sections 2 to 7, inclusive, of this  
43 act.

44 Sec. 2. Subsection (a) of section 4 of special act 77-98, as amended by  
45 section 3 of special act 78-24, section 2 of special act 84-46, section 5 of  
46 public act 02-85, section 2 of special act 03-11 and section 10 of special  
47 act 13-20, is amended to read as follows (*Effective from passage*):

48 (a) There shall be a representative policy board of the South Central  
49 Connecticut Regional Water District which shall consist of one elector  
50 from each city and town within the district who shall be appointed by  
51 the chief elected official of such city or town, with the approval of its  
52 legislative body, and one elector of the state who shall be appointed by  
53 the governor. Members shall serve for a term of three years  
54 commencing July 1, except that the members first appointed shall  
55 serve terms commencing July 1, 1977, and such members appointed  
56 from Bethany, East Haven, Killingworth, New Haven, Orange and  
57 West Haven shall serve until June 30, 1978, such members appointed  
58 from Branford, Guilford, Madison, North Branford, Prospect and  
59 Woodbridge shall serve until June 30, 1979, such members appointed  
60 from Cheshire, Hamden, Milford, North Haven and Wallingford shall  
61 serve until June 30, 1980, and the member first appointed by the  
62 governor shall serve for a term commencing upon appointment and  
63 ending on the third June thirtieth thereafter; provided members shall  
64 continue to serve until their successors are appointed and have  
65 qualified. In the event of the resignation, death or disability of a  
66 member from any city or town or the state, a successor may be  
67 appointed by the chief elected official of such city or town, or in the  
68 case of the member appointed by the governor, for the unexpired  
69 portion of the term. The chief elected official of each such city or town  
70 may appoint a provisional member to serve until December 1, 1977,  
71 with full authority to act as a member until said date. Members and  
72 provisional members shall receive one hundred dollars, adjusted as  
73 provided in this subsection, for each day in which they are engaged in  
74 their duties and shall be reimbursed for their necessary expenses  
75 incurred in the performance of their duties. Such one-hundred-dollar-  
76 per-day compensation amount shall be adjusted on January 1, 2015,  
77 and every fifth year thereafter to reflect [changes] increases since 2012  
78 in the Consumer Price Index for All Urban Consumers, Northeast  
79 Urban, All Items (1982-84=100) published by the United States Bureau  
80 of Labor Statistics or a comparable successor index. They shall elect a  
81 chairman and a vice-chairman, who shall be members or provisional  
82 members of the representative policy board, and a secretary. The

83 chairman shall receive a per diem payment of 1.5 times the amount  
84 paid to members and provisional members. The representative policy  
85 board shall meet at least quarterly with the authority and such  
86 members of the staff of the authority as the representative policy board  
87 deems appropriate.

88 Sec. 3. Section 11 of special act 77-98, as amended by section 5 of  
89 special act 78-24, section 3 of special act 84-46 and section 7 of public  
90 act 02-85, is amended to read as follows (*Effective from passage*):

91 Subject to the provisions of sections 1 to 33, inclusive, of special act  
92 77-98, as amended by special act 78-24, special act 84-46, sections 5 to 7,  
93 inclusive, of special act 99-12, [and this act] public act 02-85, special act  
94 13-20, this section and sections 2 to 7, inclusive, of this act, the  
95 authority shall have the power: (a) To sue and be sued; (b) to have a  
96 seal and alter the same at its pleasure; (c) to acquire in the name of the  
97 authority by purchase, lease or otherwise and to hold and dispose of  
98 personal property or any interest therein, including shares of stock of a  
99 subsidiary corporation; (d) to acquire in the name of the authority by  
100 purchase, lease or otherwise and to hold and dispose of any real  
101 property or interest therein, including water rights and rights of way  
102 and water discharge rights, which the authority determines to be  
103 necessary or convenient, and to acquire any existing wastewater  
104 system or water supply system or parts thereof which are wholly or  
105 partially within the district as described under section 3 of special act  
106 [78-24] 77-98, as amended by section 2 of special act 78-24, section 1 of  
107 special act 84-46 and [this act] public act 02-85. As a means of so  
108 acquiring, the authority or a subsidiary corporation may purchase all  
109 of the stock or all or any part of the assets and franchises of any  
110 existing privately owned water or wastewater company, whereupon  
111 the authority or such subsidiary corporation shall succeed to all rights,  
112 powers and franchises thereof. Sections 16-43, 16-50c and 16-50d of the  
113 general statutes shall not apply to any action by the authority or a  
114 subsidiary corporation or any action by any privately owned water  
115 company or sewage company, as defined in section 16-1 of the general  
116 statutes, taken to effectuate the acquisition of the stock or all or any

117 part of the assets and franchises of such water company or sewage  
118 company by the authority, provided section 16-43 shall apply to any  
119 action taken to effectuate the acquisition of the stock or all or any part  
120 of the assets and franchises of the Ansonia Derby Water Company by  
121 the authority. Notwithstanding any provision of section 25-32 of the  
122 general statutes, land may be transferred to the authority or a  
123 subsidiary corporation of the authority as part of such an acquisition.  
124 The commissioner of health services shall not grant a permit for a  
125 change in the use of any class I or class II land owned by the Ansonia  
126 Derby Water Company on the effective date of this section and not  
127 transferred to the authority or a subsidiary corporation or a permit for  
128 the sale, lease or assignment of any such class II land, unless (1) all  
129 provisions of section 25-32 are complied with, and (2) the  
130 commissioner of health services determines, after holding a hearing,  
131 notice of which shall be published not later than thirty days before the  
132 hearing in one or more newspapers having a substantial circulation in  
133 the municipalities in which the land is located, that such change in the  
134 use or sale, lease, or assignment of the land will not have a significant  
135 adverse impact upon present and future water supply needs of the  
136 authority or a subsidiary corporation of the authority; (e) to construct  
137 and develop any water supply system or any wastewater system; (f) to  
138 own, operate, maintain, repair, improve, construct, reconstruct,  
139 replace, enlarge and extend any of its properties; (g) any provision in  
140 any general statute, special act or charter to the contrary  
141 notwithstanding, but subject to the provisions of section 12 of special  
142 act 77-98, as amended by [this act] section 8 of public act 02-85, and  
143 section 28 of special act 77-98, as amended by section 9 of special act  
144 78-24, to sell water, however acquired, to customers within the district  
145 or to any municipality or water company; (h) any provisions in any  
146 general statute, special act or charter to the contrary notwithstanding,  
147 to purchase water approved by the commissioner of health from any  
148 person, private corporation or municipality when necessary or  
149 convenient for the operation of any water supply system operated by  
150 the authority; (i) to adopt and amend bylaws, rules and regulations for  
151 the management and regulation of its affairs and for the use and

152 protection of the water and properties of the authority or a subsidiary  
153 corporation and, subject to the provisions of any resolution  
154 authorizing the issuance of bonds, rules for the sale of water, the  
155 collection and processing of wastewater and the collection of rents and  
156 charges for both water supply and wastewater functions. A copy of  
157 such bylaws, rules and regulations and all amendments thereto,  
158 certified by the secretary of the authority, shall be filed in the office of  
159 the secretary of the state and with the clerk of each town and city  
160 within the district. Any superior court located within the district shall  
161 have jurisdiction over any violation of such bylaws, rules or  
162 regulations and the authority may prosecute actions before the  
163 superior court to enforce such bylaws, rules and regulations; (j) to  
164 make contracts and to execute all necessary or convenient instruments,  
165 including evidences of indebtedness, negotiable or non-negotiable; (k)  
166 to borrow money, to issue negotiable bonds or notes, to fund and  
167 refund the same and to provide for the rights of the holders of the  
168 authority's obligations; (l) to open the grounds in any public street or  
169 way or public grounds for the purpose of laying, installing,  
170 maintaining or replacing pipes and conduits, provided upon the  
171 completion of such work the grounds shall be restored to the condition  
172 they were in previously; (m) to enter into cooperative agreements with  
173 other water authorities, municipalities, water districts, water  
174 companies or water pollution control authorities within or without the  
175 district for interconnection of facilities, for exchange or interchange of  
176 services and commodities or for any other lawful purpose necessary or  
177 desirable to effect the purposes of sections 1 to 33, inclusive, of special  
178 act 77-98, as amended by special act 78-24, special act 84-46 and  
179 sections 5 to 7, inclusive, of special act 99-12, special act 13-20, this  
180 section and sections 2 to 7, inclusive, of this act, such agreements to be  
181 binding for a period specified therein; (n) to acquire, hold, develop and  
182 maintain land and other real estate and waters for conservation and for  
183 compatible active and passive recreational purposes and to levy  
184 charges for such uses, provided the state department of health finds  
185 that such uses will not harm the quality of water provided by the  
186 authority; (o) to apply for and accept grants, loans or contributions

187 from the United States, the state of Connecticut or any agency,  
188 instrumentality or subdivision of either of them or from any person,  
189 and to expend the proceeds for any of its purposes; (p) to create  
190 programs and policies for the purpose of conserving water; (q) to do  
191 any and all things necessary or convenient to carry out the powers  
192 expressly given in sections 1 to 33, inclusive, of special act 77-98, as  
193 amended by special act 78-24, special act 84-76, and sections 5 to 7,  
194 inclusive, of special act 99-12, [and this act] public act 02-85, special act  
195 13-20, this section and sections 2 to 7, inclusive, of this act, including  
196 the powers granted by the general statutes to stock corporations,  
197 except the power to issue stock, and the powers granted by the general  
198 statutes to water pollution control authorities.

199 Sec. 4. Section 14 of special act 77-98, as amended by section 6 of  
200 special act 78-24, section 6 of special act 99-12 and section 10 of public  
201 act 02-85, is amended to read as follows (*Effective from passage*):

202 With the approval of the representative policy board, the authority  
203 shall establish just and equitable rates or charges for the use of the  
204 water supply system and the wastewater system authorized herein, to  
205 be paid by any customer, and may change such rates or charges from  
206 time to time. Such water supply system rates or charges shall be  
207 established so as to provide funds sufficient in each year, with other  
208 water supply related revenues, if any, (a) to pay the cost of  
209 maintaining, repairing and operating the water supply system and  
210 each and every portion thereof, to the extent that adequate provision  
211 for the payment of such cost has not otherwise been made, (b) to pay  
212 the principal of and the interest on outstanding water supply bonds of  
213 the authority as the same shall become due and payable, (c) to meet  
214 any requirements of any resolution authorizing, or trust agreement  
215 securing, such bonds of the authority, (d) to make payments in lieu of  
216 taxes as provided in section 21 of special act 77-98, as amended by  
217 section 8 of special act 78-24 and [this act] public act 02-85, as the same  
218 become due and payable, upon the water supply system properties of  
219 the authority or of a subsidiary corporation to the municipalities in  
220 which such properties are situated, (e) to provide for the maintenance,

221 conservation and appropriate recreational use of the land of the  
222 authority, and (f) to pay all other reasonable and necessary expenses of  
223 the authority and of the representative policy board to the extent that  
224 such expenses are allocable to the water supply system activities of the  
225 authority and the representative policy board. Such wastewater system  
226 rates or charges shall be established so as to provide funds sufficient in  
227 each year with other wastewater related revenues, if any, (1) to pay the  
228 cost of maintaining, repairing and operating the wastewater system  
229 and each and every portion thereof, to the extent that adequate  
230 provision for the payment of such cost has not otherwise been made,  
231 (2) to pay the principal of and the interest on outstanding wastewater  
232 bonds of the authority as the same shall become due and payable, (3)  
233 to meet any requirements of any resolution authorizing, or trust  
234 agreement securing, such bonds of the authority, (4) to pay all other  
235 reasonable and necessary expenses of the authority and of the  
236 representative policy board to the extent that such expenses are  
237 allocable to the wastewater activities of the authority and of the  
238 representative policy board. No such rate or charge shall be  
239 established until it has been approved by the representative policy  
240 board, after said board has held a public hearing at which all the users  
241 of the waterworks system or the wastewater system, the owners of  
242 property served or to be served and others interested have had an  
243 opportunity to be heard concerning such proposed rate or charge. The  
244 representative policy board shall approve such rates and charges  
245 unless it finds that such rates and charges will provide funds in excess  
246 of the amounts required for the purposes described previously in this  
247 section, or unless it finds that such rates and charges will provide  
248 funds insufficient for such purposes. The rates or charges so  
249 established for any class of users or property served shall be extended  
250 to cover any additional premises thereafter served which are within  
251 the same class, without the necessity of a hearing thereon. Any change  
252 in such rates or charges shall be made in the same manner in which  
253 they were established. The rates or charges levied upon any customer  
254 of any water supply system acquired pursuant to subsection (d) of  
255 section 11 of special act 77-98, as amended by section 5 of special act



256 78-24, section 3 of special act 84-46, [and this act] public act 02-85, this  
257 section and sections 2 to 7, inclusive, of this act, or served pursuant to a  
258 cooperative agreement pursuant to subsection (m) of said section 11  
259 shall not be required to be equalized with the authority's existing rates,  
260 but may be set on a separate basis, provided such rates are just,  
261 equitable and nondiscriminatory. Such rates or charges, if not paid  
262 when due, shall constitute a lien upon the premises served and a  
263 charge against the owners thereof, which lien and charge shall bear  
264 interest at the same rate as would unpaid taxes. Such lien shall take  
265 precedence over all other liens or encumbrances except taxes and may  
266 be foreclosed against the lot or building served in the same manner as  
267 a lien for taxes, provided all such liens shall continue until such time as  
268 they shall be discharged or foreclosed by the authority without the  
269 necessity of filing certificates of continuation, but in no event for longer  
270 than [ten] fifteen years. The amount of any such rate or charge which  
271 remains due and unpaid for thirty days may, with interest thereon at  
272 [the same rate as unpaid taxes] a rate approved by the representative  
273 policy board but not to exceed the maximum interest rate allowed by  
274 state law for unpaid property taxes and with reasonable attorneys'  
275 fees, be recovered by the authority in a civil action in the name of the  
276 authority against such owners. Any municipality shall be subject to the  
277 same rate or charges under the same conditions as other users of the  
278 water supply system or the wastewater system. The assets or the  
279 revenues of the water system shall not be available to satisfy debts,  
280 judgments or other obligations arising out of the operation of the  
281 wastewater system and the assets or the revenues of the wastewater  
282 system shall not be available to satisfy debts, judgments or other  
283 obligations arising out of the operation of the water system.

284 Sec. 5. Section 16 of special act 77-98, as amended by section 12 of  
285 public act 02-85 and section 4 of special act 13-20, is amended to read  
286 as follows (*Effective from passage*):

287 All contracts in excess of fifty thousand dollars for any supplies,  
288 materials, equipment, construction work or other contractual services  
289 shall be in writing and shall be awarded upon either sealed bids or

290 proposals or, unless otherwise required by law, electronic submission  
291 of bids or proposals, in each case made in compliance with a public  
292 notice duly advertised by publication in one or more newspapers of  
293 general circulation or, if there are no such newspapers, in appropriate  
294 electronic media, including, without limitation, the authority's Internet  
295 web site, as are likely to reach a broad segment of potential vendors, at  
296 least ten days before the time fixed for [opening] review of said bids or  
297 proposals, except for (1) contracts for professional services, (2) when  
298 the supplies, materials, equipment or work can only be furnished by a  
299 single party, (3) when the authority determines by a two-thirds vote of  
300 the entire authority that the award of such contract by negotiation  
301 without public bidding will be in the best interest of the authority, or  
302 (4) when the procurement is made as a result of participation in a  
303 procurement group, alliance or consortium made up of other state or  
304 federal governmental entities in which the state of Connecticut is  
305 authorized to participate. The authority may in its sole discretion reject  
306 all such bids or proposals or any bids received from a person, firm or  
307 corporation the authority finds to be unqualified to perform the  
308 contract, and shall award such contract to the lowest responsible  
309 bidder qualified to perform the contract.

310 Sec. 6. Subsection (c) of section 18 of special act 77-98, as amended  
311 by section 7 of special act 78-24, section 14 of public act 02-85 and  
312 section 5 of special act 13-20, is amended to read as follows (*Effective*  
313 *from passage*):

314 (c) After approval of land use standards and disposition policies in  
315 the manner provided in subsection (b) of this section, the authority  
316 shall not sell or otherwise transfer any real property or any interest or  
317 right therein, except for access or utility purposes or any sale or  
318 transfer determined by the standing committee on land use and  
319 management of the representative policy board to have no significant  
320 adverse impact on the authority's open space, recreational or  
321 watershed protection policies, without giving thirty days' advance  
322 written notice to the representative policy board member from the  
323 town in which the subject property lies, or develop such property for

324 any use not directly related to a water supply function, other than for  
325 public recreational use not prohibited by section 25-43c of the general  
326 statutes, without the approval of a majority of the weighted votes of all  
327 of the members of the representative policy board, excluding  
328 vacancies, in the case of a parcel of twenty acres or less, and by three-  
329 fourths of the weighted votes of all of the members of said board,  
330 excluding vacancies, in the case of a parcel in excess of twenty acres.  
331 The representative policy board shall not approve such sale or other  
332 transfer or development unless it determines, following a public  
333 hearing, that the proposed action (1) conforms to the established  
334 standards and policies of the authority, (2) is not likely to affect the  
335 environment adversely, particularly with respect to the purity and  
336 adequacy of both present and future water supply, and (3) is in the  
337 public interest, giving due consideration, among other factors, to the  
338 financial impact of the proposed action on the customers of the  
339 authority and on the municipality in which the real property is located.

340 Sec. 7. Section 19 of special act 77-98, as amended by section 15 of  
341 public act 02-85 and section 6 of special act 13-20, is amended to read  
342 as follows (*Effective from passage*):

343 The authority shall not (1) acquire, by purchase, lease or otherwise,  
344 any existing water supply system or parts thereof or any wastewater  
345 system or parts thereof, (2) commence any project costing more than  
346 two million dollars to repair, improve, construct, reconstruct, enlarge  
347 and extend any of its properties or systems, or (3) acquire or make [a  
348 subsequent] an investment in any [water or environment related]  
349 business related to water, energy, agriculture, the environment or any  
350 other activity determined to be in the best interests of customers  
351 pursuant to section 1 of special act 77-98, as amended by section 5 of  
352 special act 99-12, section 2 of special act 02-85, section 1 of special act  
353 13-20, this section and sections 2 to 7, inclusive, of this act, in an  
354 amount more than one million dollars without the approval, following  
355 a public hearing, of a majority of the total weighted votes of the  
356 membership of the representative policy board. In the case of the first  
357 acquisition by the authority of an existing water supply system or part

358 thereof, after such approval by the representative policy board the  
 359 authority shall file with the town clerk of each city and town in the  
 360 district its plan for such acquisition. The legislative body of each such  
 361 city and town shall approve or disapprove such acquisition plan  
 362 within sixty days after such filing, provided failure to disapprove  
 363 within such sixty days shall be deemed approval of such acquisition  
 364 plan. The authority shall not first acquire an existing water supply  
 365 system or part thereof except in accordance with an acquisition plan  
 366 approved by at least sixty per cent of such legislative bodies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	SA 77-98, Sec. 1
Sec. 2	<i>from passage</i>	SA 77-98, Sec. 4(a)
Sec. 3	<i>from passage</i>	SA 77-98, Sec. 11
Sec. 4	<i>from passage</i>	SA 77-98, Sec. 14
Sec. 5	<i>from passage</i>	SA 77-98, Sec. 16
Sec. 6	<i>from passage</i>	SA 77-98, Sec. 18(c)
Sec. 7	<i>from passage</i>	SA 77-98, Sec. 19

**PD**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which makes various changes to the South Central Connecticut Regional Water Authority's enabling legislation, has no fiscal impact on the state and municipalities. The Authority is a non-profit public corporation and political subdivision of the State of Connecticut.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

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**OLR Bill Analysis**

**sSB 87**

***AN ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT  
REGIONAL WATER AUTHORITY.***

**SUMMARY:**

The Office of Legislative Research does not analyze Special Acts.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/18/2016)